(c) what action Government have taken against them after thorough checking?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) The information is being collected and will be laid on the Table of the House to the extent available.

Penalty imposed on National Insurance Company of Kolkata by IRDA

2812. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Tariff Advisory Committee of IRDA has imposed a hefty penalty of more than Rs. 5 crores on National Insurance Company of Kolkata for tariff violations while providing insurance cover to Vadodara refinery of IOC;

(b) if so, the details thereof;

(c) whether the National Insurance Company has been asked to pay penalty equivalent to the difference between the normal premium and the one undercharged by NIC to clinch the deal with IOC; and

(d) whether the NIC has asked the IOC to pay up the difference constituting the penalty and if so, the response of IOC thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Tariff Advisory Committee (TAC) has directed National Insurance Co. Ltd. (NIC) to collect the short charged premium amounting to Rs. 5,32,20,419/- from Indian Oil Corporation (IOC) as per the norms applicable to Breach of Tariff (BOT) cases. TAC has further informed that any shortfall in premium not collected would devolve on the erring insurer as fine.

(d) Yes, Sir. As per the information furnished by NIC, the IOC has conveyed that the difference in premium charged by NIC for the year

2004-05 and the premium charged by United India Insurance Company for the year 2003-04 for the same risk is only marginal and not to the extent as indicated by TAC.

Inflation rate

†2813. SHRI RAM JETHMALANI:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the average rate of inflation has been 6.5 per cent in the 52 weeks before 29th January, 2005;

(b) if not, the facts in this regard;

(c) whether it is also a fact that the said rate of inflation is not only higher than the last year's rate but also is more than the target set during above period;

(d) if so, the facts in this regard; and

(e) what would be the effect of this increase in the rate of inflation on the economy of the country in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) Yes, Sir. The 52 week average rate of inflation was 6.5 per cent as on January 29, 2005. The said rate of inflation was higher than the average rate at 5.5 per cent on the corresponding date in 2003-04, but was the same as the revised inflation projection at 6.5 per cent by the Reserve Bank of India for the year 2004-05 as announced in their Mid-Year Review of credit policy on 26th October, 2004. However, as indicated in Table below, the average inflation rate declined marginally to 6.4 per cent as on 5th February, 2005 and remained at the same level during the year 2004-05.

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†Original notice of the question was received in Hindi.